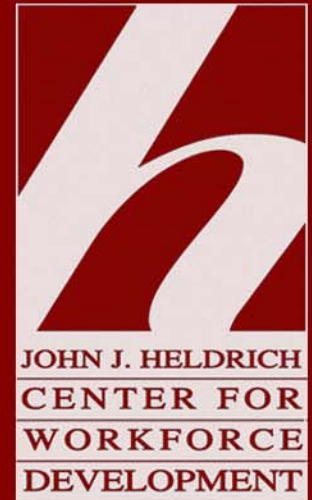


# The Aging U.S. Workforce:

## *Trends and Challenges*

*June 2006*



THE STATE UNIVERSITY OF NEW JERSEY  
**RUTGERS**

# The U.S. Population is Aging



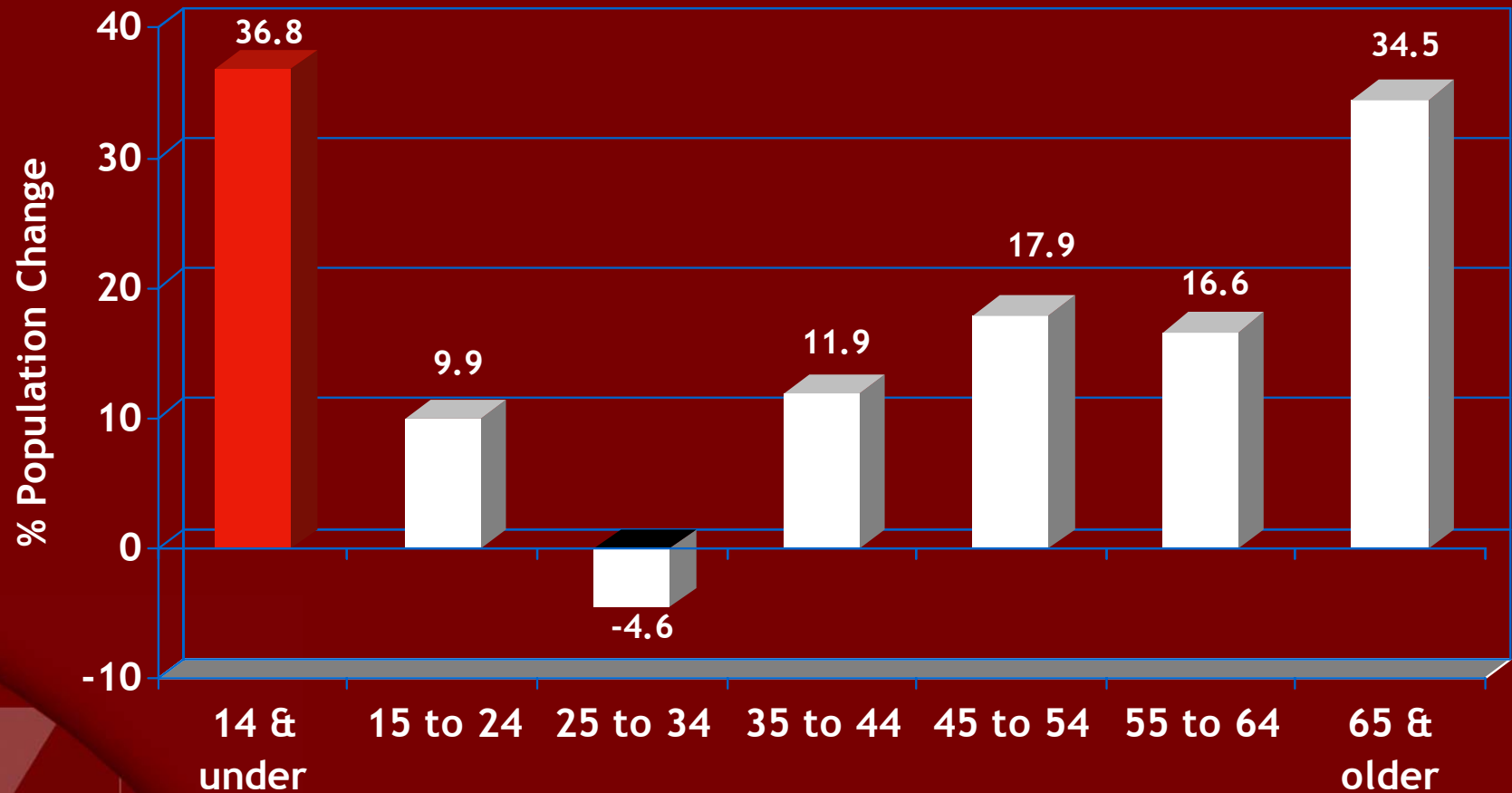
# As America Ages, So Does the U.S. Workforce

- 78 million Baby Boomers (born 1946-1964)
- Boomers comprise 46% of the U.S. workforce



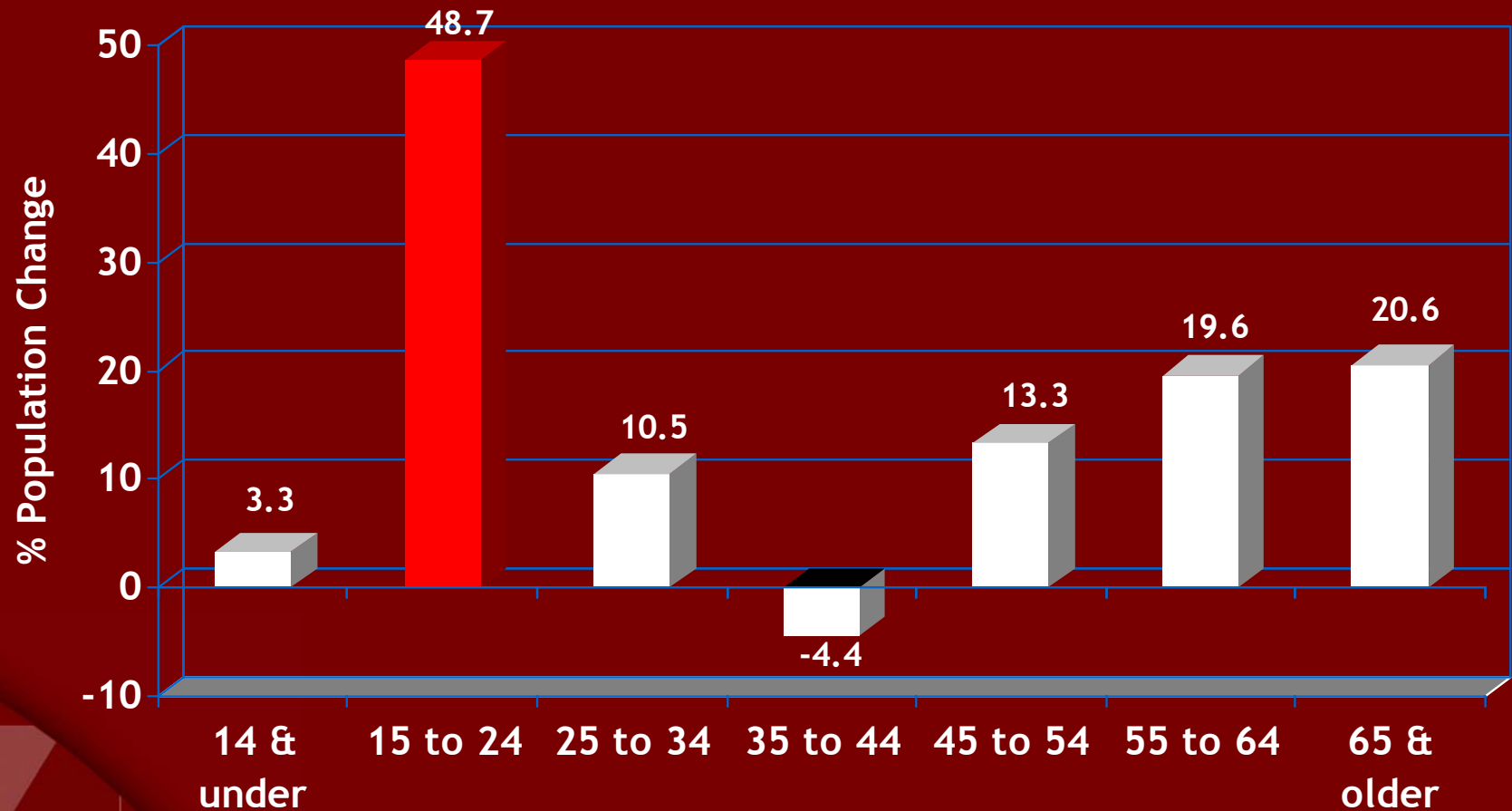
*Source: U.S. Census Bureau, Bureau of Labor Statistics*

## Change in U.S. Population, 1950-1960 by Age Group



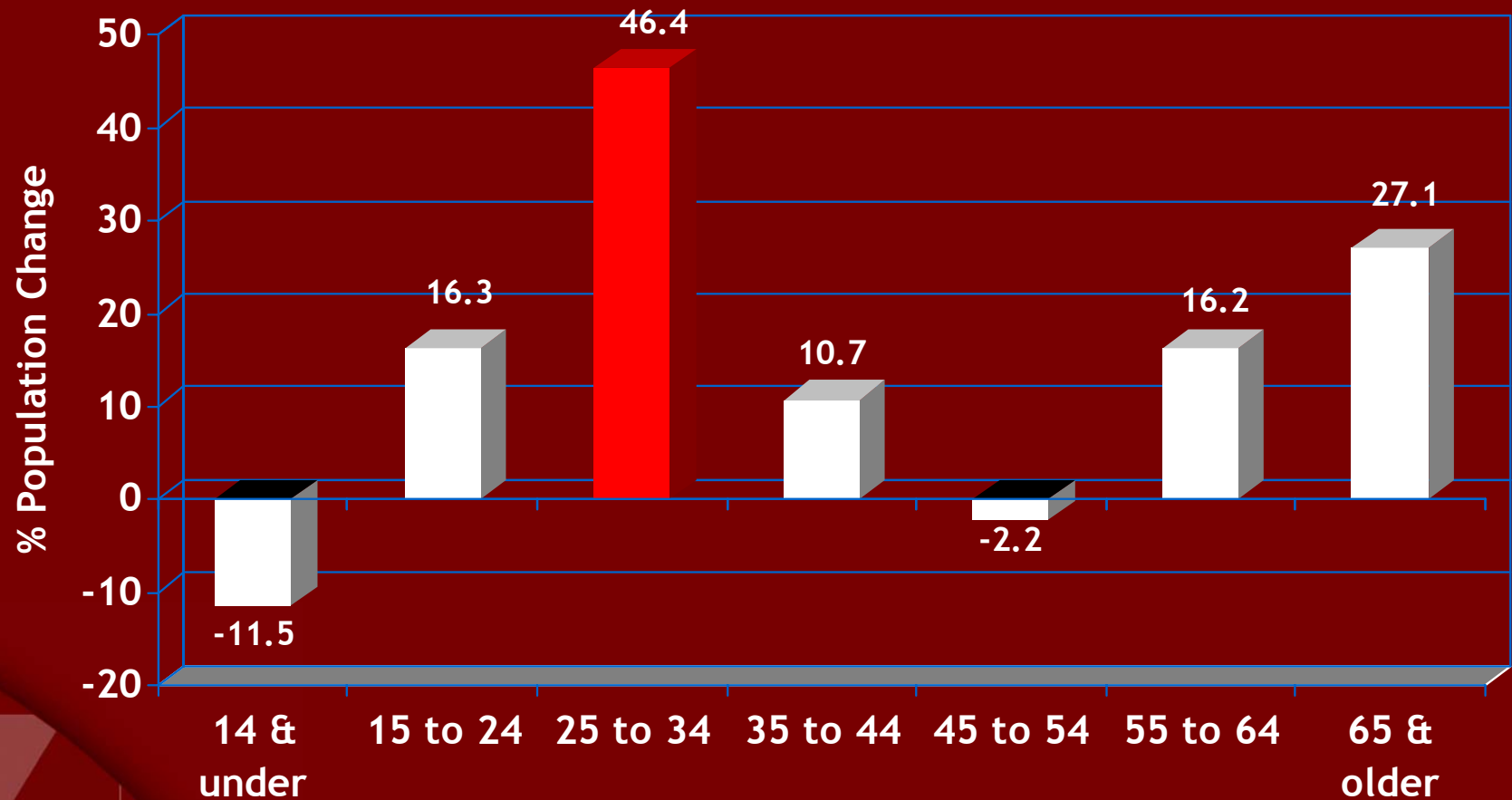
Source: U.S. Census Bureau

## Change in U.S. Population, 1960-1970 by Age Group



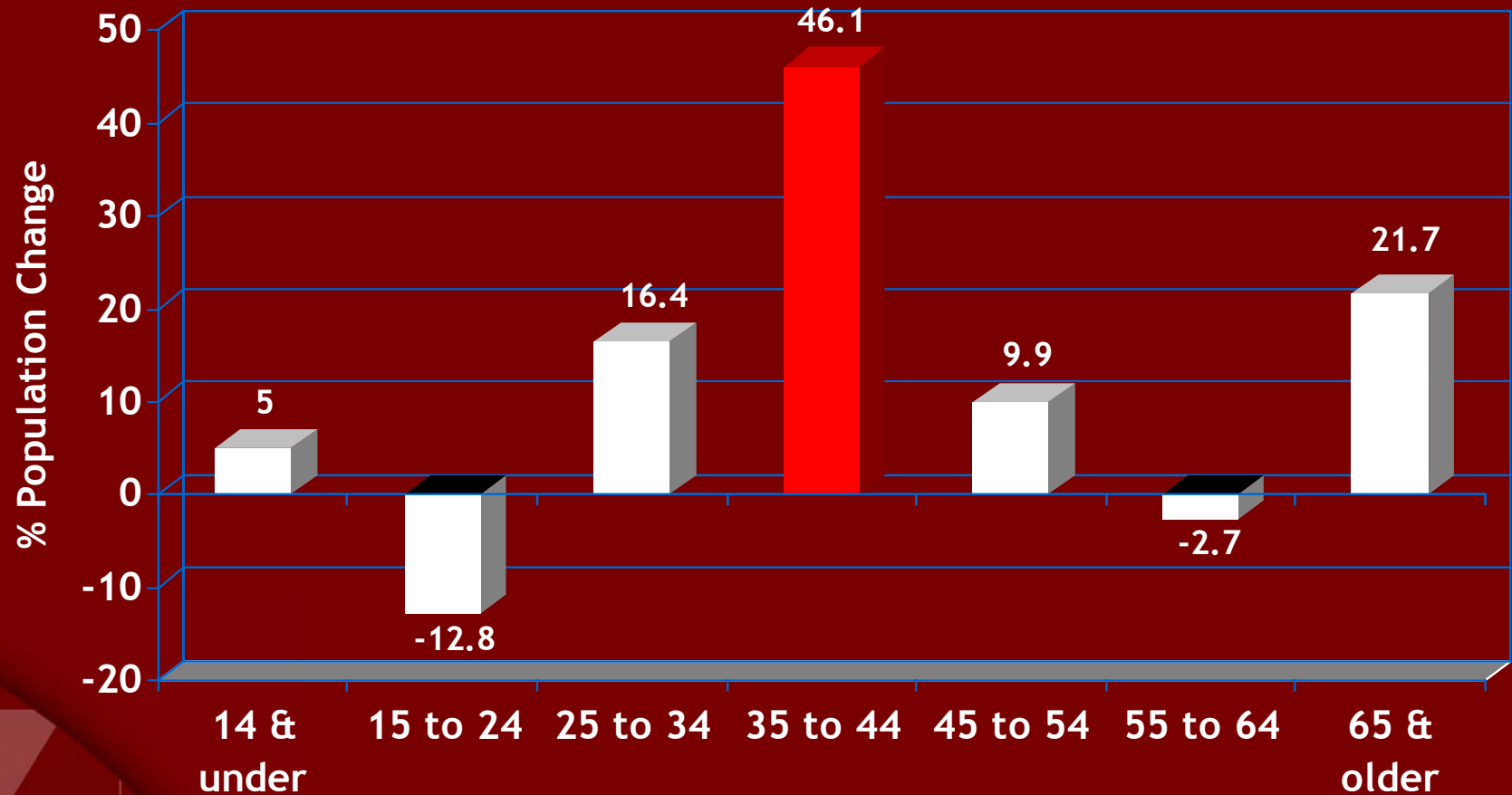
Source: U.S. Census Bureau

## Change in U.S. Population, 1970-1980 by Age Group



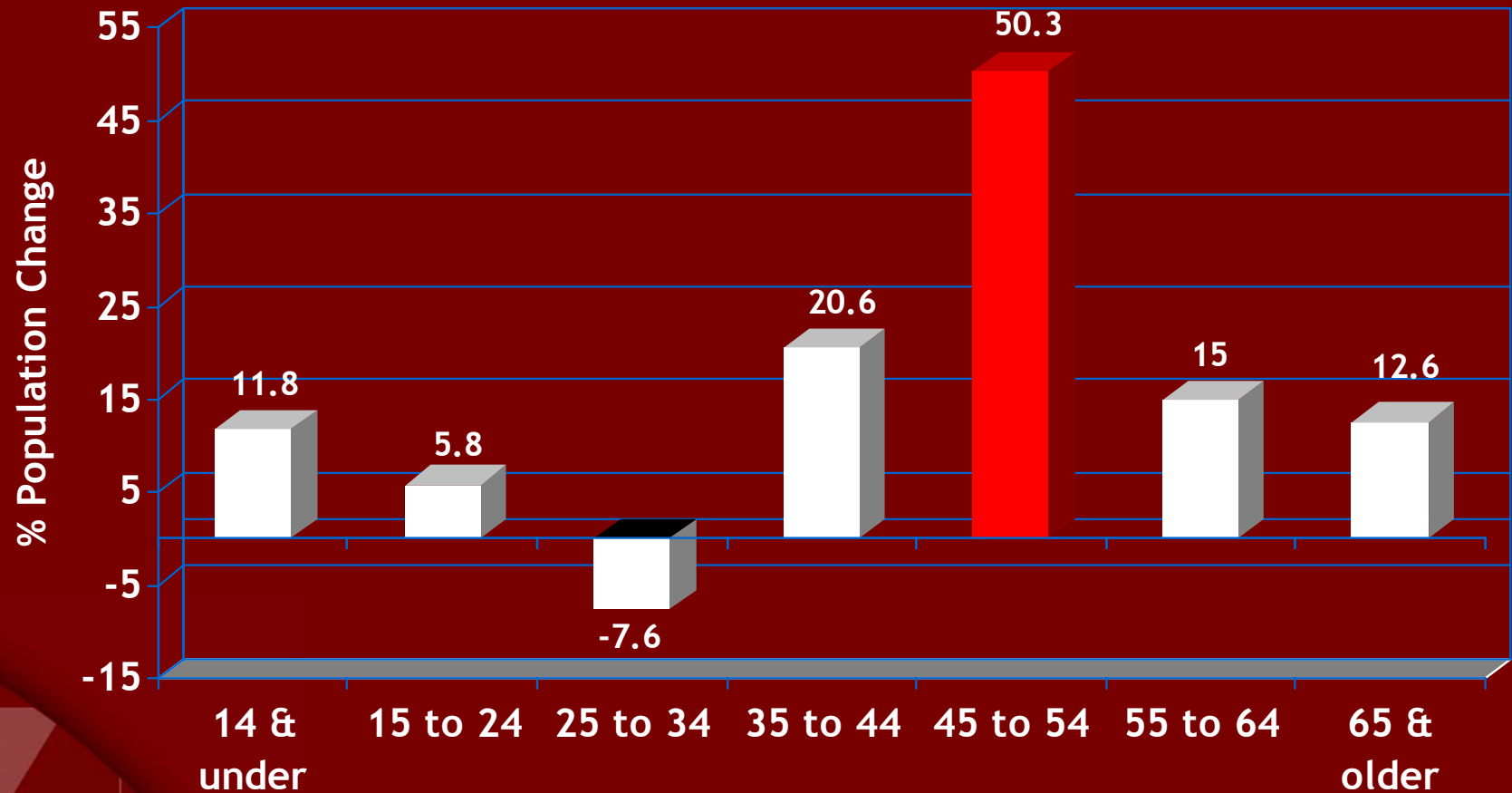
Source: U.S. Census Bureau

## Change in U.S. Population, 1980-1990 by Age Group



Source: U.S. Census Bureau

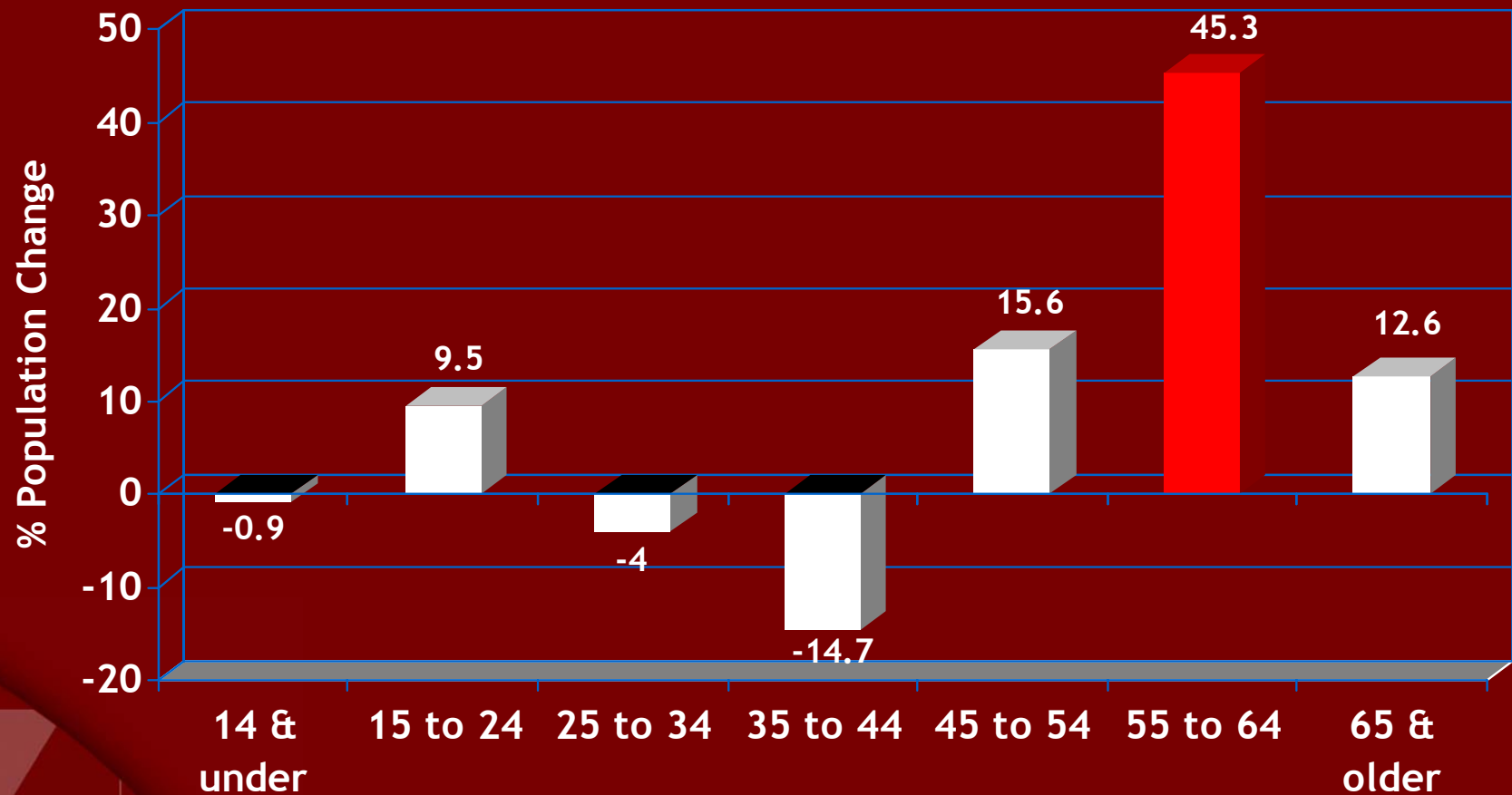
## Change in U.S. Population, 1990-2000 by Age Group



Source: U.S. Census Bureau

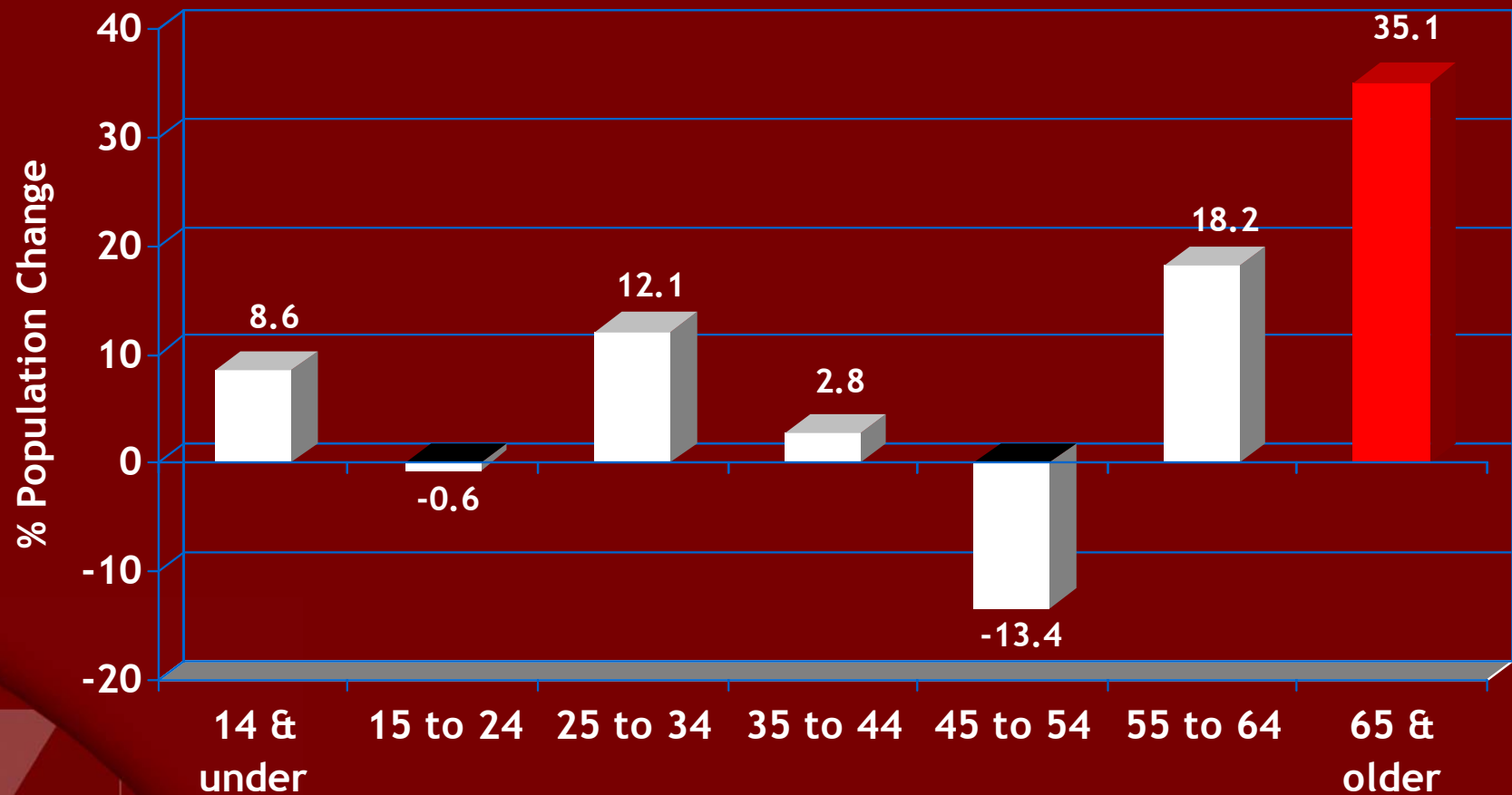


## Projected Change in U.S. Population, 2000-2010 by Age Group



Source: U.S. Census Bureau

## Projected Change in U.S. Population, 2010-2020 by Age Group



Source: U.S. Census Bureau

# Oldest Boomers are Turning 60 this Year



- In 2008, the oldest boomers will be able to get Social Security; in 2011, they will begin to turn 65

***“The social and economic implications of an aging population – and of the baby boom in particular – are likely to be profound for both individuals and society”***

*Louis Kincannon, Census Bureau Director*

# Labor and Talent Shortages are Predicted in Certain Industries and Occupations



# Nobody Knows Who Will Replace the Boomers

- **Generation X**, which follows the Boomers, is a smaller group - 26% of the workforce
- Who will do the work?



# How are Employers Responding?



- Majority are taking some action
- Yet, many are not yet addressing the issue



# Many Employers are Ambivalent about the Idea of Retaining Older Workers

## NEGATIVES

- More expensive than younger workers (wages and benefits)
- Poor up-to-date skills
- Seem less flexible

## POSITIVES

- Have more knowledge and experience
- Have better workplace skills

# Employers Who May Want to Keep Older Workers May Find it Difficult

- Barriers
  - Federal pension and tax laws
  - Fear of age discrimination suits



# What Do Older Workers Want?



*“Have you given much thought to what kind of job you want **after** you retire?”*

# Many Want to Work . . .

- They want to be active
- They want to have meaningful employment
- They want to contribute to the community
- They want flexibility
- Many need to work for money and health benefits

# But Not All Older Workers Can or Want to Work

- Many unable to work past retirement age
  - (mandatory retirement, physical strain/disability)
- Many unable to find viable employment
- Many unable to find flexible work arrangements
- Many don't want to work

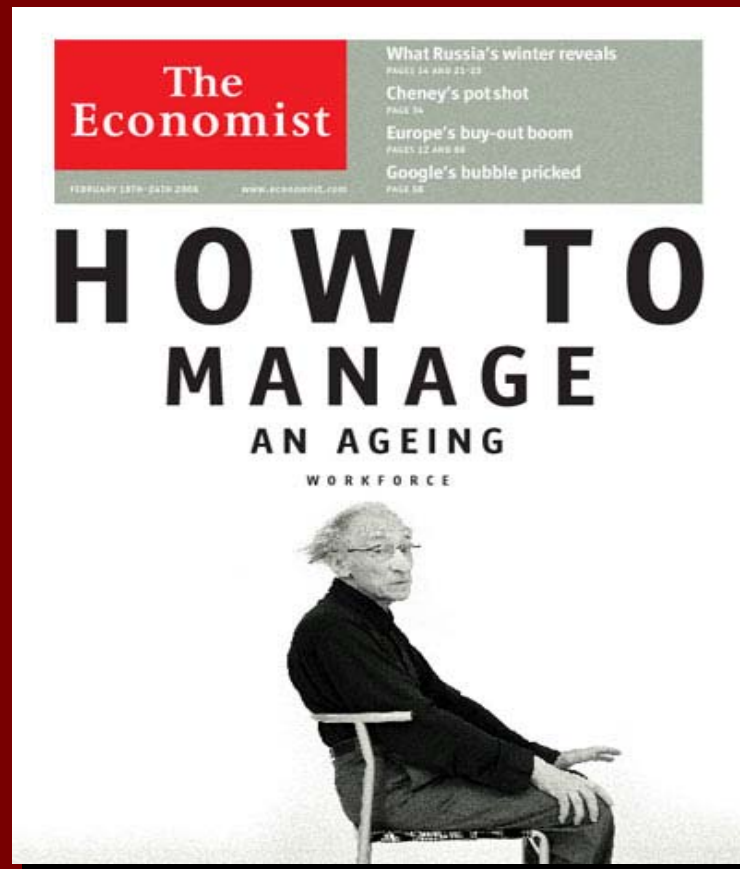
# If Older Workers Want to Stay on the Job, Can They?

- Globalization and technology changes continue to cause widespread job loss and layoffs
- Harder for older workers to find new jobs
  - 25.8 weeks vs. 18.9 for younger workers
- Harder for older workers to regain wages after a job loss

# What are Employers Doing?

- Businesses with shortages (real or predicted) are setting in motion strategies to retain older workers, or look at ways to recruit other workers
- Businesses with no perceived labor/talent shortages
  - Business as usual
- Businesses with no clue - no idea, no plans
- Businesses that are entrepreneurial - opening new markets to hire and serve older Americans

# What is Government Facing?



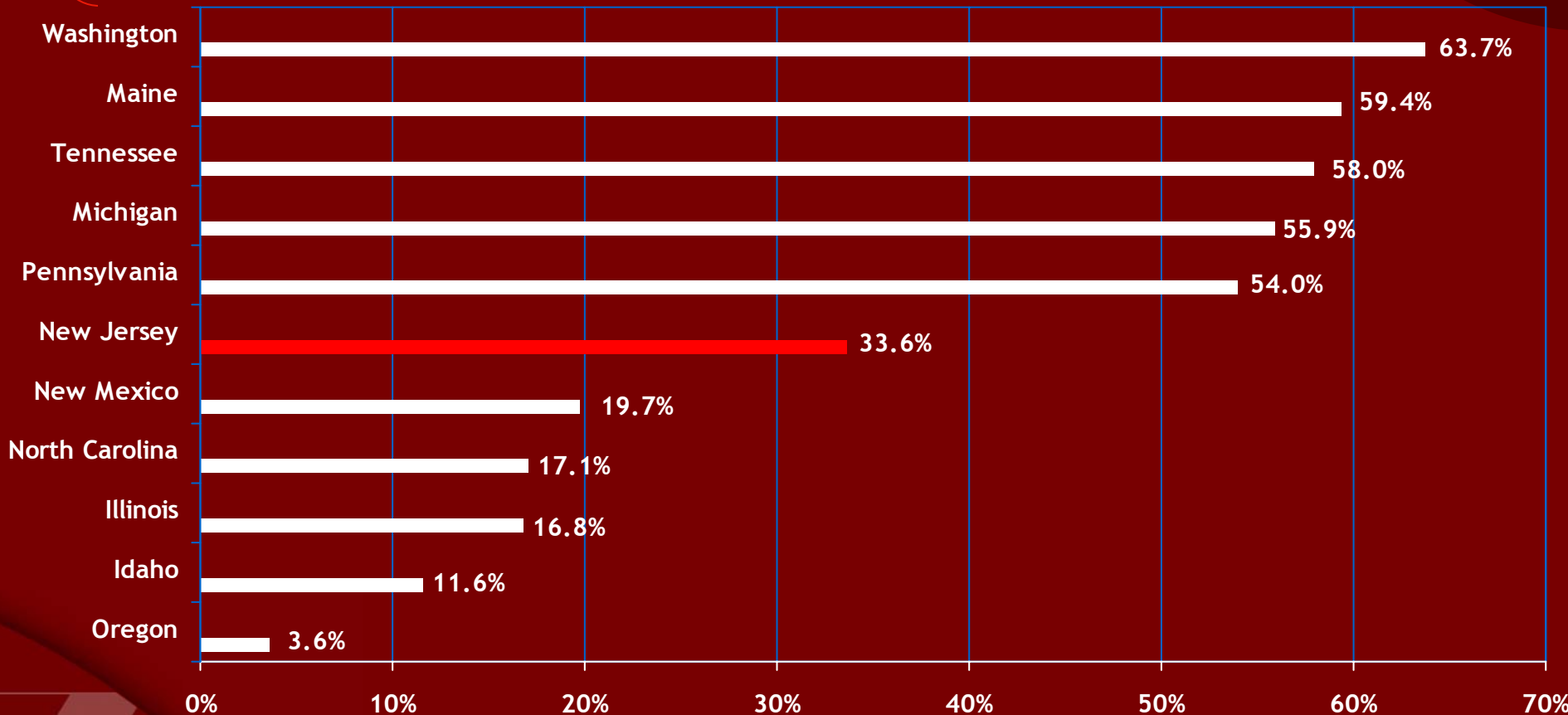
# A Graying Population and Dramatic Demographic Changes



- Significant aging of the population
- Older population is growing in age but also in diversity
- Increased immigration rates bringing in younger minority ethnic and racial groups
- Migration of older population will affect some states more than others



# Anticipated State Government Retirements



*Source: Government Performance Project Survey of 37 States*



# Anticipated Federal Government Retirements



- Average age of federal civilian workforce - 45.5
  - Nearly one-half of the federal workforce could begin retirement in 2008 at age 55



# Public Policy and Governance Challenges

- Increasing long-term care costs
- Responding to the solvency and long-term health of government programs and benefits
- Pressure to provide funding to serve older Americans



# Workforce and HR Challenges

*“Responding to the personnel tornado on the horizon”*

*-Stateline.org*

- Acute worker shortages in critical jobs, programs, and agencies
- Anticipated “brain drain” and loss of institutional memory
- Difficulty in recruiting skilled replacements
- Lack of public resources to replace talent gaps
- Lack of flexible workplace options
- Managing a multi-age workplace

# What Public Agencies are Doing

- Undertaking strategic workforce planning
  - Conducting studies to determine the impact on demand for public services
  - Conducting studies to determine projected demographic makeup of state agency workforce and projected retirement rates
  - Succession and replacement planning - grooming replacements
  - Engaging in targeted recruitment strategies
  - Developing processes to capture institutional knowledge



*Source: Society for Human Resource Management, 2005  
and the Government Performance Project*

# Developing Flexible and Innovative Work Options

- Hiring retirees as consultants and part-time employees
- Developing flexible scheduling options to retain older workers
- Increasing job training for existing workforce (mentorship and internship programs, professional development)
- Exploring phased retirement

“We have to tell them why it’s cool to work in the public sector”

- Sara Redding Wilson, Virginia  
Department of Human Resources  
Management





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